



TRAVEL AND SUBSISTENCE POLICY



TRAVEL AND SUBSISTENCE POLICY

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1 INTRODUCTION

1.1 It is essential that representatives of the municipality from time to time travel to other cities and towns in order to :

- i] Establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and originations operating in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.
- ii] Attend seminars, work related workshops, committee meetings with a direct influence on the Council's activities.

1.2 Any changes to this policy, as required from time to time, shall be presented and motivated to Council by the Municipal Manager.

2 DELEGATION OF AUTHORITY

This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy document should be recorded in writing.

3 PURPOSE OF THE POLICY

The purpose of this policy is to:

- 3.1 Set out the basis for the payment of a travel and subsistence allowance for the purposes of such official travelling.
- 3.2 Ensure that all travel and subsistence costs incurred by the municipality are incurred in an efficient and effective manner.



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- 3.3 Ensure that officials, councilors and other role players are remunerated fairly and equitably for costs incurred while travelling in the execution of duties for and on behalf of the municipality.

4. AUTHORIZATION

For purposes of implementing this policy:

- 4.1 Only the Municipal Manager or his delegate may authorize any travel to be undertaken by officials, or payments to be made for persons invited for interviews, but provided the expenses to be incurred are on the approved budget of the relevant department and sufficient funds are available.
- 4.2 Only the Mayor [in consultation with the Municipal Manager] or in his absence the Municipal Manager or his delegate, may authorize any travel to be undertaken by any councilor, but provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available. For administrative purposes the official Travel and Subsistence claim form will be authorized by the Municipal Manager.
- 4.3 The Mayor shall authorize any travel undertaken by the Municipal Manager and the Municipal Manager or his delegate shall authorize any travel undertaken by the Mayor or in the absence of either the Chief Financial Officer shall authorize any travel undertaken, provided the expenses to be incurred are on the approved budget of the municipality and sufficient funds are available.
- 4.4 An invitation to attend a workshop, meeting, function, and cultural, sporting or related events is not an automatic authorization to attend such workshop, function or event. The required authorization must still be obtained from the Municipal Manager or Mayor, as the case may be.
- 4.5 Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Municipal Manager, or the Municipal Manager's delegate, as the case may be, must recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.



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5. CLAIM PROCEDURES

The following procedures are to be followed in order for all travel and subsistence claims:

- 5.1 The official travel and subsistence claim form of the municipality must be completed by the claimant.
- 5.2 The necessary supporting documentation [invitation, agenda, etc.] must be attached to the claim form.
- 5.3 The claim form must be approved by the necessary HOD and signed by the Municipal Manager or his delegate.
- 5.4 The completed and approved claim form must then be submitted to the Finance Department for payment.
- 5.5 Payments for travel and subsistence claims are dealt with as follows by the Finance Department.
 - 5.5.1 Payments are done on Tuesdays and Thursdays only.
 - 5.5.2 Claims for payments must reach the Finance Department by 12H00 of the day preceding the payment date or else the payment is delayed to the following payment day.
- 5.6 It is the duty of each claimant to ensure that his/her claim reaches the Finance Department timeously.
- 5.7 Claim forms that have not been completed correctly [all relevant fields completed, documentation attached or approved by HOD and Municipal Manager or his delegate] cannot be processed and will be returned to the relevant claimant.

6. CLAIM TARRIFS

PRIVATELY OWNED VEHICLE / PUBLIC TRANSPORT

- 6.1 Where no appropriate municipality owned transportation is available Officials and Councillors are entitled [with the authorization of the Municipal Manager or his delegate] to utilize their own or other means of transportation and be remunerated as follows:



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- 6.1.1 For privately owned vehicles, claimants will be re-imbursed at the current National Department of Transport Tariffs per kilometer at the time of the claim.
- 6.1.2 The payment of the travel claim per kilometer is made to off-set all costs incurred by the claimant including, but not limited to, fuel and oil, wear and tear and insurance. No additional claims for expenses incurred through the usage of privately owned vehicles will be for the account of the municipality.
- 6.1.3 The total travelling distance to be re-imbursed will be based on the shortest acceptable route per the AA route maps available from their website at www.aa.co.za and will be measured as the lesser of:
 - i] the return distance in kilometres from the municipal head office in Schweizer-Reneke to the destination per the claim form or
 - ii] the return distance in kilometres from the point of departure to the destination per the claim form.
- 6.1.4 Proof of ownership, specifying the value and engine capacity of the vehicle, must be submitted to the Budget and Treasury Officer. All claims for kilometres must be made with due adherence to and mindful of limitations stipulated in current legislation [Section 56/57 employment contracts / upper limits in terms of Remuneration of Public Office Bearers Act.]
- 6.1.5 For public transport via taxi, proof of payment must be submitted.
- 6.1.6 For transport via airplane, bookings will be made and paid for by the municipality.
- 6.1.7 For transport via rail, the price of a first class ticket will be re-imbursed for by the municipality.



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OVERNIGHT ACCOMMODATION

- 6.2 The following flat rate option is available in cases where overnight accommodation is required for trips away from the office:
- 6.2.1 A flat rate of **R750.00** per night can be paid into the claimant's bank account to offset all accommodations costs including breakfast.
 - 6.2.2 The claimant will then be responsible to pay for all accommodation costs to the hotel / guest house directly.
 - 6.2.3 Hotel reservations can be made by the municipality on request of the claimant. It is however the duty of each claimant to confirm hotel reservations before departure as the municipality will not be held accountable for any mistakes.
 - 6.2.4 Claimants are advised to submit the original signed tax invoice received from the hotel / guest house [received on departure] to the Budget and Treasury Office within 5 days of return to the Municipality. The value of the submitted original signed tax invoice will then be reversed on the next monthly payroll of the claimant up to a maximum of the claim actually paid.
 - 6.2.5 No further or additional claims for costs regarding accommodation will be considered.
- 6.3 At the discretion of the Municipal Manager or his delegate, in exceptional cases, with due consideration of the circumstances, payment can be made to the hotel/guest house directly by the municipality in those circumstances where the available accommodation is more costly than the flat rate allowed:
- 6.3.1 Hotel reservations will be made by the municipality directly. It is however the duty of each claimant to confirm hotel reservations before departure as the municipality will not be held accountable for any mistakes.
 - 6.3.2 Claim forms must be approved and submitted to the Budget and Treasury Office at least 3 working days before departure in order to facilitate timely payment and confirmation with the hotel. Payment of **claims submitted later than 3 days before departure** cannot be guaranteed and this could lead to difficulties as far as confirmation of bookings are concerned.
 - 6.3.3 The claimant is duty bound to submit the signed tax invoice received from the hotel / guest house [received on departure] to the Budget and



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Treasury Office within 5 days of return to the Municipality. Failure to do so will lead to the deduction of the full amount from the claimants following monthly pay slip.

- 6.4 Payment for overnight accommodation will be at the discretion of the Municipal Manager or his delegate with due consideration of the circumstances of each claim.

DAILY EXPENSES

- 6.5. In order to qualify for a subsistence allowance, the Employee/Councillor must be required to spend at least one night away from his usual place of residence.
- 6.6. Subsistence allowance payment are excluded from remuneration and are never subject to PAYE, irrespective of whether the actual payment exceeds the limits.
- 6.7. Payments that exceed the limits will be assessed by SARS.
- 6.8. The following are the limits for subsistence allowances for the 2012/2013 tax year:

Travel within the republic

6.8.1. R 93.00 per day for incidental expenses only and

6.8.2. R 303.00 per day for meals and incidental expenses

OTHER INCIDENTAL EXPENSES

- 6.9. The following expenses incurred must be paid for directly by the claimant and reclaimed from the Municipality upon presentation of appropriate supporting documentation :

6.8.1 Toll fees

6.8.2 Parking fees

INTERNATIONAL TRAVEL

- 6.9 A schedule of rates per country is published on the South African Revenue Services (SARS) website and is applicable to this policy



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- 6.10 The amount of days to be paid for is limited to the those days actually outside of the borders of the Republic of South Africa and limited to those days actually utilized for the performance of duties on behalf of the municipality [reasonable travel time included]. All additional days taken for private purposes will not be paid for by the municipality
- 6.11 This daily flat rate is meant to offset all costs incurred [meals, travel, accommodation, etc.] on a daily basis and no further claims will be considered.
- 6.12 The total Dollar value of the claim will be paid to the claimant in Rand value at the current R/\$ exchange rate at the time of submission of the claim.
- 6.13 All bookings for air travel will be done by the Municipality. The Municipality's responsibility will be limited to the cost of an economy class return ticket. All costs in excess of an economy class return ticket will be the responsibility of the claimant. It is the duty of the claimant to confirm bookings made before departure as the Municipality will not be held liable for any errors.

CAR RENTALS

- 6.14 As required from time to time and at the discretion of the Municipal Manager or his delegate, claimants may need to utilize transport acquired from vehicle rental companies. All bookings will be made by and paid for by the Municipality directly.
- 6.15 The Municipality's liability will be limited to kilometers/ days required by the claimant in the execution of duties for and on behalf of the municipality. All costs incurred in excess of the allowed kilometers/ days will be for the account of the claimant.
- 6.16 The standard vehicle class that will be obtained by the Municipality will be a Class B vehicle [air-conditioning and power steering]. Any requirements for a class higher than Class B will be at the discretion of the Municipal Manager, but limited to no higher than a Class D vehicle.

CANDIDATES INVITED FOR INTERVIEWS

- 6.17 Travel claims for candidates invited by the municipality to interviews for specific positions in the Municipality will be re-imbursed per 6.1 above.
- 6.18 Where the need of overnight accommodation for candidates has been identified, the Municipality will make the necessary arrangements for bookings and



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payments directly to the hotel / guest house based on the Supply Chain Management Policy of the Municipality.

- 6.19 The official Travel and Allowance claim form must be completed by each candidate. Banking and contact details must be clearly communicated to the Budget and Treasury Office to facilitate payment.

7 LEGAL REQUIREMENTS

- 7.1 In terms of section 66 of the Local Government : Municipal Finance Management Act, 2003 [Act No. 56 of 2003] the Accounting Officer of the municipality must report to the Council, in the format and for the periods prescribed, all expenses relating to staff salaries, allowances and benefits, separately disclosing [inter alia] travel, subsistence and accommodation allowances paid.
- 7.2 Claimants will be held liable for any unauthorized expenses as well as expenditure where there is not acceptable documentary proof.
- 7.3 If overnight accommodation is paid for by the Municipality directly to the hotel/guesthouse, the claimant is duty bound to submit the signed tax invoice received from the hotel / guest house [received on departure] to the Finance Department within 5 days of return to the Municipality. Failure to do so will lead to the deduction of the full amount from the claimants following monthly pay slip.
- 7.4 In any instances where this policy is contrary to any act or legislation of the Republic of South Africa, the act or legislation shall take precedence.

8. REPAYMENT OF CLAIMS

- 8.1 Should a meeting or trip be cancelled for which a claim has been submitted, the Finance Department must immediately be informed. Should the claim already have been paid, it must immediately be repaid in full by the claimant. Failure to do so shall lead to the automatic deduction of the overpayment from the claimant's next monthly salary.

9 IMPLEMENTATION OF THIS POLICY

- 9.1 This policy was approved by Council resolution no. 2013/..... and is implemented upon approval by Council on